

**STATE MINERAL AND ENERGY BOARD  
DOCKET REVIEW COMMITTEE**

**ITEMS REQUIRING BOARD APPROVAL**

**AUGUST 8, 2012**

**A. STATE AGENCY LEASES  
AUGUST 8, 2012**

La. R.S. 30:151 identifies the term “agency” as a levee district, drainage district, road district, school district, school board, or other board, commission, parish, municipality, state university, state college, state penal or charitable institution or agency, unit or institution of the state or subdivision thereof.

La. R.S. 30:155 provides that, if an agency doesn’t want the Mineral and Energy Board to do its mineral leasing, it may do its own mineral leasing, the lease given must still be approved by the State Mineral and Energy Board under R.S. 30:158.

La. R.S. 30:156 provides that, if an agency wants to mineral lease its own property, it must follow the same leasing process as the State does, including advertising, sealed bids, etc.

La. R.S. 30:158 provides that, if a mineral lease given by an agency of its own property is not approved by the Mineral and Energy Board, it is an absolutely void lease.

Pursuant to the above statutory authority, listed below are leases given by state agencies and submitted for State Mineral and Energy Board approval. The staff examines the documents submitted to make sure that the agency follows all of the steps this office goes through in leasing State owned acreage and that the document has been properly notarized.

1. STATE AGENCY LEASE (A)

ST. MARTIN PARISH,  
LOUISIANA

An Oil, Gas and Mineral Lease from the Atchafalaya Basin Levee District, dated June 11, 2012, awarded to Theophilus Oil, Gas & Land Services, LLC, covering lands located in Section 22, Township 13 South, Range 12 East, St. Martin Parish, Louisiana, containing 80.0 acres, more or less, with further contractual obligations being more enumerated in the instrument.

<b>BIDDER AND LESSEE</b>	: Theophilus Oil, Gas & Land Services, LLC
<b>BONUS</b>	: \$20,400.00 (\$250.00/acre)
<b>RENTAL</b>	: \$10,200.00
<b>ROYALTIES</b>	: 25% on oil, gas and other minerals
<b>TERM</b>	: Five years

There was only one bid submitted. (Current rider attached)

**A. STATE AGENCY LEASES  
AUGUST 8, 2012**

**2. STATE AGENCY LEASE (B)**

**ST. MARTIN PARISH,  
LOUISIANA**

An Oil, Gas and Mineral Lease from the Atchafalaya Basin Levee District, dated June 11, 2012, awarded to Theophilus Oil, Gas & Land Services, LLC, covering lands located in Section 27, Township 13 South, Range 12 East, St. Martin Parish, Louisiana, containing 40 acres, more or less, with further contractual obligations being more enumerated in the instrument.

<b>BIDDER AND LESSEE</b>	: Theophilus Oil, Gas & Land Services, LLC
<b>BONUS</b>	: \$10,200.00 (\$255.00/acre)
<b>RENTAL</b>	: \$5,100.00
<b>ROYALTIES</b>	: 25% on oil, gas and other minerals
<b>TERM</b>	: Five years

There was only one bid submitted. (Current rider attached)

**3. STATE AGENCY LEASE (C)**

**ST. MARTIN PARISH,  
LOUISIANA**

An Oil, Gas & Mineral Lease from the Atchafalaya Basin Levee District, dated June 11, 2012, awarded to Theophilus Oil, Gas & Land Services, LLC, covering lands located in Section 21, Township 13 South, Range 12 East, St. Martin Parish, Louisiana, containing 40.0 acres, more or less, with further contractual obligations being more enumerated in the instrument.

<b>BIDDER AND LESSEE</b>	: Theophilus Oil, Gas & Land Services, LLC
<b>BONUS</b>	: \$12,400.00 (\$310.00/acre)
<b>RENTAL</b>	: \$6,200.00
<b>ROYALTY</b>	: 25% on oil, gas and other minerals
<b>TERM</b>	: Five years

There was only one bid submitted. (Current rider attached)

**A. STATE AGENCY LEASES  
AUGUST 8, 2012**

**4. STATE AGENCY LEASE (D)**

**ST. MARTIN PARISH,  
LOUISIANA**

An Oil, Gas and Mineral Lease from the Atchafalaya Basin Levee District, dated June 11, 2012, awarded to Theophilus Oil, Gas & Land Services, LLC, covering lands located in Section 22, Township 13 South, Range 12 East, lying West of Grand River, in St. Martin Parish, **LESS AND EXECPT** a Tract containing 8.33 acres, designated as Tract 8 on plat of survey, containing 78.67 acres, more or less, with further contractual obligations being more enumerated in the instrument.

<b>BIDDER AND LESSEE</b>	: Theophilus Oil, Gas & Land Services, LLC
<b>BONUS</b>	: \$20,060.85 (\$225.00/acre)
<b>RENTAL</b>	: \$10,030.43
<b>ROYALTIES</b>	: 25% on oil, gas & other minerals
<b>TERM</b>	: Five years

There was only one bid submitted. (Current rider attached)

**5. STATE AGENCY LEASE (E)**

**ST. MARTIN PARISH,  
LOUISIANA**

An Oil, Gas & Mineral Lease from the Atchafalaya Basin Levee District, dated June 11, 2012, awarded to Theophilus Oil, Gas & Land Services, LLC, covering lands located in Section 21, Township 13 South, Range 12 East, St. Martin Parish, Louisiana, containing 8.33 acres, more or less, with further contractual obligations being more enumerated in the instrument.

<b>BIDDER AND LESSEE</b>	: Theophilus Oil, Gas & Land Services, LLC
<b>BONUS</b>	: \$2,124.15 (\$255.00/acre)
<b>RENTAL</b>	: \$1,062.08
<b>ROYALTIES</b>	: 25% on oil, gas & other minerals
<b>TERM</b>	: Five years

There was only one bid submitted. (Current rider attached)

**B. STATE LEASE TRANSFERS  
AUGUST 8, 2012**

**6. STATE AGENCY LEASE (F)**

**LAFOURCHE PARISH,  
LOUISIANA**

An Oil, Gas and Mineral Lease from the North Lafourche Conservation Levee & Drainage District, dated June 1, 2012, awarded to Boudreaux Properties, Inc., covering lands located in Section 51, Township 15 South, Range 18 East, containing 25.44 acres, more or less, with further contractual obligations being more enumerated in the instrument.

**BIDDER AND LESSEE**

: Boudreaux Properties, Inc.

**BONUS**

: \$7,682.88 (\$302.00/acre)

**RENTAL**

: \$6,360.00

**ROYALTIES**

: 25% on oil, gas and other  
minerals

**TERM**

: Three years

There was only one bid submitted. (Current rider attached)

**B. STATE LEASE TRANSFERS**  
**AUGUST 8, 2012**

**La. R.S. 30:128 (A)** provides that no transfer or assignment in relation to any lease of minerals or mineral rights owned by the state shall be valid unless approved by the State Mineral and Energy Board. Additionally, transfers or assignments shall not be granted to prospective leaseholders that are not currently registered with the office of mineral resources.

This sections deals with such transfers of interest in state mineral leases in the form of assignments of rights, subleases, and stipulations of interest. It also deals with transfers such as mergers or changes of names, which act as an assignment of interest to the newly named or emerging entity from a merger. Accompanying each of the items submitted in this section was an Ownership Transfer Form (formerly called a Form B) listing the pre- transfer ownership interest in the lease and the post- transfer ownership interest. Each document is carefully checked by the staff to ensure that the interest transfer figures are consistent, that our ownership records are complete and that all form requirements are met.

1. ASSIGNMENT

STATE LEASE NO. 12002,  
Plaquemines Parish, Louisiana

An Assignment from MP 31 Investments, L.L.C. to Texas Petroleum Investment Company, of all of Assignor's right, title and interest in and to State Lease No. 12002, Plaquemines Parish, Louisiana, **INSOFAR AND ONLY INSOAF AS** to those portions of said lease lying within the area boundaries of the Textularia L Sand, Reservoir A, with further particulars being stipulated in the instrument.

Texas Petroleum Investment Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

2. ASSIGNMENT

STATE LEASE NO. 12002,  
Plaquemines Parish, Louisiana

An Assignment from Harvest Operating, LLC to Texas Petroleum Investment Company, of all of Assignor's right, title and interest in and to State Lease No. 12002, Plaquemines Parish, Louisiana, **INSOFAR AND ONLY INSOAF AS** to those portions of said lease lying within the area boundaries of the Textularia L Sand, Reservoir A, with further particulars being stipulated in the instrument.

Texas Petroleum Investment Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

3. CONVERSION

STATE LEASE NOS. 6003  
and 9600, Red River Parish,  
Louisiana

A Conversion whereby Comstock Oil & Gas- Louisiana, Inc. is converting to Comstock Oil & Gas- Louisiana, LLC, affecting State Lease No. 6003 and 9600, Red River Parish, Louisiana, with further particulars being stipulated in the instrument.

**B. STATE LEASE TRANSFERS**  
**AUGUST 8, 2012**

4. ASSIGNMENT

STATE LEASE NOS. 20918,  
20955, 20956, 20957 and 20958,  
Cameron Parish, Louisiana

An Assignment from Patrick L. Donohue Petroleum Properties, Inc. to Hilcorp Energy I, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 20918, 20955, 20956, 20957 and 20958, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

Hilcorp Energy I, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

5. ASSIGNMENT

STATE LEASE NOS. 1958  
and 1961, Plaquemines Parish,  
Louisiana

An Assignment from MP 35 Investments, L.L.C. to Sibley Petroleum Investments, LLC, an undivided 30% of Assignor's right, title and interest in and to 1958 and 1961, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Texas Petroleum Investment Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

6. ASSIGNMENT

STATE LEASE NOS. 1958  
and 1961, Plaquemines Parish,  
Louisiana

An Assignment from MP 35 Investments, L.L.C. to Texas Petroleum Investment Company, of all of Assignor's right, title and interest in and to State Lease Nos. 1958 and 1961, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Texas Petroleum Investment Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

**B. STATE LEASE TRANSFERS**  
**AUGUST 8, 2012**

7. ASSIGNMENT

STATE LEASE NOS. 1958  
and 1961, Plaquemines Parish,  
Louisiana

An Assignment from Sibley Petroleum Investments, LLC to Texas Petroleum Investment Company, of all of Assignor's right, title and interest in and to State Lease Nos. 1958 and 1961, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Texas Petroleum Investment Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

8. ASSIGNMENT

STATE LEASE NO. 20876,  
West Feliciana Parish,  
Louisiana

An Assignment from Theophilus Oil, Gas & Land Services, L.L.C. to Devon Energy Production Company, L.P., of all of Assignor's right, title and interest in and to State Lease No. 20876, West Feliciana Parish, Louisiana, with further particulars being stipulated in the instrument.

Devon Energy Production Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

9. ASSIGNMENT

STATE LEASE NOS. 20887,  
20888, 20889 and 20890,  
West Feliciana Parish,  
Louisiana

An Assignment from Theophilus Oil, Gas & Land Services, L.L.C. to Devon Energy Production Company, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 20887, 20888, 20889 and 20890, West Feliciana Parish, Louisiana

Devon Energy Production Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

10. ASSIGNMENT

STATE LEASE NO. 17446,  
Ascension Parish, Louisiana

An Assignment from Houston St. Invest., LLC to Originoil One, Ltd., of all of Assignor's right, title and interest in and to State Lease No. 17446, Ascension Parish, Louisiana, with further particulars being stipulated in the instrument.

Originoil One, Ltd. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.



**B. STATE LEASE TRANSFERS**  
**AUGUST 8, 2012**

11. ASSIGNMENT

STATE LEASE NOS. 18748,  
18868 and 19208, Jefferson  
and Lafourche Parishes, Louisiana

An Assignment from Big Sky Operating Companies, Inc. to Ironstone Energy, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 18748, 18868 and 19208, Jefferson and Lafourche Parishes, Louisiana, with further particulars being stipulated in the instrument.

Ironstone Energy, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

12. ASSIGNMENT

STATE LEASE NO. 17236,  
Plaquemines Parish, Louisiana

An Assignment from Coquille Bay Investors II, LLC, of all of Assignor's right, title and interest to the following in the proportions set out below:

Coquille Bay Investors LLC	½
Coquille Bay Investors III LLC	½

in and to State Lease No. 17236, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Marks Explorer LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

13. ASSIGNMENT

STATE LEASE NO. 4708,  
Plaquemines Parish,  
Louisiana

An Assignment from Stone Energy Offshore, L.L.C. to Breton Sound 32, LP, of all of Assignor's right, title and interest in and to State Lease No. 4708, Plaquemines Parish, Louisiana, from the surface down to and including 8116', with further particulars being stipulated in the instrument.

Breton Sound 32, LP is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

**B. STATE LEASE TRANSFERS**  
**AUGUST 8, 2012**

14. ASSIGNMENT

STATE LEASE NO. 4708,  
Plaquemines Parish,  
Louisiana

An Assignment from Stone Energy Offshore, L.L.C. to Breton Sound 32, LP, of all of Assignor's right, title and interest in and to State Lease No. 4708, Plaquemines Parish, Louisiana, as to those depths below 8116', with further particulars being stipulated in the instrument.

Breton Sound 32, LP is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

15. ASSIGNMENT

STATE LEASE NO. 13566,  
Plaquemines Parish,  
Louisiana

An Assignment from Greenbriar Energy LP IV to White Oak Oil & Gas Partners, LP, of all of Assignor's right, title and interest in and to State Lease No. 13566, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

White Oak Oil & Gas Partners, LP is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

16. ASSIGNMENT

STATE LEASE NOS. 14519,  
14520, 14912, 14914, 14915,  
14953, 14954, 16859, 18287  
and 19497, St. Mary Parish,  
Louisiana

An Assignment from Hunt Oil Company of Louisiana, Inc. to Dynamic Offshore Resources, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 14519, 14520, 14912, 14914, 14915, 14953, 14954, 16859, 18287 and 19497, St. Mary Parish, Louisiana, with further particulars being stipulated in the instrument.

Dynamic Resources, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

**B. STATE LEASE TRANSFERS**  
**AUGUST 8, 2012**

17. ASSIGNMENT

STATE LEASE NO. 3797,  
Iberville Parish, Louisiana

An Assignment from South Oak Production Company to Wagner Oil Company, of all of Assignor's right, title and interest in and to State Lease No. 3797, Iberville Parish, Louisiana, with further particulars being stipulated in the instrument.

Wagner Oil Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

18. ASSIGNMENT

STATE LEASE NO. 3797,  
Iberville Parish, Louisiana

An Assignment from Trade Exploration Corp. to Wagner Oil Company, of all of Assignor's right, title and interest in and to State Lease No. 3797, Iberville Parish, Louisiana, with further particulars being stipulated in the instrument.

Wagner Oil Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

19. ASSIGNMENT

STATE LEASE NO. 3797,  
Iberville Parish, Louisiana

An Assignment from Wagner Oil Company, Bryan Wagner and wife Allison Wagner to Croilla, LP, of all of Assignor's right, title and interest in and to State Lease No. 3797, Iberia Parish, Louisiana, with further particulars being stipulated in the instrument.

Croilla, LP is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

20. ASSIGNMENT

STATE LEASE NO. 3797,  
Iberville Parish, Louisiana

An Assignment from Jolen Operating Company, Jolen Production Company, Fleischaker Production Company, L.L.C., Miller WI, LLC, Willo, LLC, J & J Resources, LLC, Andrew Kirkpatrick Marckwald, Jr., Klondike Acquisitions, Inc. and Henry W. Pfeffer, Jr. to Criolla, L.P., of all of Assignor's right, title and interest in and to State Lease No. 3797, Iberville Parish, Louisiana, with further particulars being stipulated in the instrument.

Criolla, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

**B. STATE LEASE TRANSFERS  
AUGUST 8, 2012**

21. ASSIGNMENT

STATE LEASE NO. 15500,  
DeSoto Parish, Louisiana

An Assignment from Curtis Younts, Jr., et ux to KSH Energy Fund GmbH and Co., KG Co., of all of Assignor's right, title and interest in and to State Lease No. 15500, DeSoto Parish, Louisiana, with further particulars being stipulated in the instrument.

KSH Energy Fund GmbH and Co., KG Co. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

22. MERGER

STATE LEASE NO. 1972,  
Jefferson and Lafourche  
Parishes, Louisiana

A Merger whereby Arcade Enterprises, Inc. is merging with and into J. Aron & Company, Inc., affecting State Lease No. 1972, Jefferson and Lafourche Parishes, Louisiana, with further particulars being stipulated in the instrument.

23. ASSIGNMENT AND AMENDMENT OF  
ASSIGNMENT

STATE LEASE NO. 376,  
DeSoto Parish, Louisiana

An Assignment and Amendment of Assignment from Marathon Oil Company to XTO Energy Inc., of all of Assignor's right, title and interest in and to State Lease No. 376, DeSoto Parish, Louisiana, with further particulars being stipulated in the instrument.

XTO Energy Inc. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

24. SUBLEASE AND AMENDMENT OF SUBLEASE

STATE LEASE NO. 17732,  
Bossier Parish, Louisiana

A Sublease and Amendment of Sublease from J-W Operating Company to Petro-Chem Operating Co., of all of Sublessor's right, title and interest in and to State Lease No. 17732, Bossier Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease covers all lands situated in Sections 4 and 5, Township 15 North, Range 11 West, Bossier Parish, Louisiana, **AND INSOFAR AND ONLY INSOFAR AS** said lease covers all subsurface depths above the base of the Cotton Valley Formation as defined therein, with further particulars being stipulated in the instrument.

J-W Operating Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

**B. STATE LEASE TRANSFERS**  
**AUGUST 8, 2012**

25. DISSOLUTION

STATE LEASE NO. 1972,  
Jefferson and Lafourche  
Parishes, Louisiana

A Dissolution from J. Aron & Company, Inc. to Robert A. Bories, as liquidator of affairs, affecting State Lease No. 1972, Jefferson and Lafourche Parishes, Louisiana, with further particulars being stipulated in the instrument.

**C. DEPARTMENT OF WILDLIFE AND FISHERIES STATE AGENCY  
LEASE TRANSFERS  
AUGUST 8, 2012**

The State Agency Leases require that any transfer of interest be approved by the Agency prior to the transfer. By Co-operative Endeavor Agreement, dated effective December 18, 2009, the Office of Mineral Resources has assumed responsibility for the administration of all State Agency Leases awarded by or on behalf of the said Department of Wildlife and Fisheries.

This section deals with transfers of interests in those State Agency Leases for the Department of Wildlife and Fisheries now under administration by the Office of Mineral Resources as staff of the Louisiana State Mineral and Energy Board and for which approval by the Board is being requested. Accompanying each item submitted in this section was an Ownership Transfer Form (Form-B) listing the pre-transfer and post-transfer interest of all party lease owners in the lease(s) herein set forth. Each document is carefully checked by the staff to ensure that the interest transfer figures are consistent with and reflect the interest in our records; and further, that all form requirements are met.

**No items received for this category.**

**D. ADVERTISED PROPOSALS**  
**AUGUST 8, 2012**

**La. R.S. 30:129.1** provides that certain types of agreements entered into by the State with respect to its mineral leasing activity must be advertised within a specific time of the State Mineral and Energy Board meeting at which those agreements will be acted on.

These items are called advertised items. They consist of unitization agreements, lease amendments, gas production contracts, amendments, compromise agreements and other types of agreements. These items are checked by the staff to make sure that the contents of the agreement correctly reflect the understanding of all parties, that the form is authentic and properly notarized and that the items have met the statutory advertisement requirements.

1. LEASE AMENDMENT (12-22)

STATE LEASE NO. 19949,  
Jefferson Parish, Louisiana

A Lease Amendment by and between the State of Louisiana, through the State Mineral and Energy Board, and Clayton Williams Energy, Inc., whereas said parties desire to amend any prior shut-in payment clause presently found in said Lease with new oil shut-in payment clause, affecting State Lease No. 19949, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

2. SETTLEMENT AND RELEASE OF CLAIMS  
(12-23)

STATE LEASE NOS. 195,  
249, 325, 451, 476, 1349,  
1350, 1685, 2340, 2591, 3306,  
3584, 3643, 4011, 6121, 6310,  
6863, 6864, 7719, 7873, 8015,  
8690, 10415, 14426, Operating  
Agreements "A0006" and "A0193"  
and Unleased Acreage Tracts B3307,  
B3644, B8000, B9946, B9955 and  
B9981, Bossier, Cameron, Concordia,  
Plaquemines, Pointe Coupee, Tensas,  
Terrebonne, St. Mary, Vermilion  
and West Baton Rouge Parishes,  
Louisiana

A Settlement and Release of Claims by and between the Louisiana State Mineral and Energy Board, Devon Energy Production Company, L.P. (Successor to Pennzoil Exploration and Production Company) and The Mosbacher Group, whereas said parties desire to settle and release claims of an outstanding audit issue, affecting State Lease Nos. 195, 249, 325, 451, 476, 476, 1349, 1350, 1685, 2340, 2591, 3306, 3584, 3643, 4011, 6121, 6310, 6863, 6864, 7719, 7873, 8015, 8690, 10415, 14426, Operating Agreements "A0006" and "A0193" and Unleased Acreage Tracts B3307, B3644, B8000, B9946, B9955 and B9981, Bossier, Cameron, Concordia, Plaquemines, Pointe Coupee, Tensas, Terrebonne, St. Mary, Vermilion and West Baton Rouge Parishes, Louisiana, with further particulars being stipulated in the instrument.

**D. ADVERTISED PROPOSALS**  
**AUGUST 8, 2012**

3. OPERATING AGREEMENT (12-24)

BEAUREGARD PARISH,  
LOUISIANA

An Operating Agreement by and between the State of Louisiana, through the State Mineral and Energy Board and Midstates Petroleum Company LLC, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 25% before payout, increasing to 25.5% after payout, in and to the Operating Tract, whereas operator desire and intends to obtain production from the Midstates Petroleum Company LLC- Charles James Family Trust 23 Well No. 1 (Serial 243747), covering unleased acreage, containing 39.8 acres more or less, Beauregard Parish, Louisiana, with further particulars being stipulated in the instrument.